



MITCHELL ADAMS
COMMISSIONER
ALAN GOLOBSKI
DEPUTY COMMISSIONER

The Commonwealth of Massachusetts
Department of Revenue
Leverett Saltonstall Building
100 Cambridge Street, Boston 02204

cc: RCF
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SL
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February 5, 1996

clm: 2-8-96

ALL RETAILERS OF CIGARETTES:

In accordance with the recent price changes in the wholesale cost of cigarettes by various cigarette manufacturers, your attention is again called to Chapter 64C, Sections 12-20 of the Massachusetts General Laws. This is the law of the Commonwealth of Massachusetts and must be complied with by all retail licensees to do business in Massachusetts.

The law presumes that any price below 125 % of a retailer's invoice cost of such cigarettes is in violation of the law in the absence of proof of a lesser cost of doing business. If you wish to prove a lesser cost of doing business, please refer to 830 CMR 64C.14.1 on the procedures to be followed.

Upon acceptance by this Department of the proposed lower selling prices, the Commissioner of Revenue will notify the positioning retailer of the new minimum selling prices which have been approved by the Commissioner.

For your information, based upon the prevailing wholesale cost of cigarettes and the statutory 25 % markup, the following list are the minimum retail prices (including the Massachusetts Excise) for non-chain and chain stores. A chain store is defined as "any person or persons who own or maintain ten or more retail outlets in the commonwealth, having one hundred percent common ownership or any vending machine operator who operates vending machines in twenty-five or more locations.

Until such procedure has been followed, failure to comply, which amounts to a violation of these provisions, may result in suspension or revocation of your retailer's license to sell cigarettes and/or criminal prosecution.

Note: These prices do not include the 5% Massachusetts Sales Tax.

(OVER)

Very Truly Yours,
Commissioner of Revenue

Carmin J. Santoro

By
Carmin J. Santoro
Cigarette Tax Section

51863 0154



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February 5, 1996

To all Cigarette Wholesaler's :

Please be advised that a recent change in the law, (House bill 5027 signed 11/22/95) now includes the face amount of the state excise tax as part of the cost to the wholesaler effective February 22, 1996.

The following will be the wholesale and retail minimums effective February 22, 1996.

| | <u>Wholesale</u> | | <u>Retail</u> | |
|-------------------------|------------------|----------------------|----------------|--------------|
| | <u>Cartons</u> | <u>Cartons</u> | <u>Cartons</u> | <u>Packs</u> |
| | <u>Delivered</u> | <u>Non Delivered</u> | | |
| NON-CHAIN STORES | | | | |
| FULL PRICE | \$17.05 | \$16.93 | \$21.32 | \$2.14 |
| VALUE BRANDS | 14.28 | 14.17 | 17.65 | 1.79 |
| CHAIN STORES | | | | |
| FULL PRICE | \$16.80 | \$16.68 | \$21.01 | \$2.11 |
| VALUE BRANDS | 14.07 | 13.96 | 17.59 | 1.76 |

Please pass this information on to your retail customers. If you have any further questions please feel to call the Cigarette Tax Section at 617-887-5090.

Sincerely,

Carmine J. Santoro
Cigarette Tax Section
Excises Unit

51863 0155



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DEPUTY COMMISSIONER

The Commonwealth of Massachusetts
Department of Revenue
Liverett Saltonstall Building
100 Cambridge Street, Boston 02204

February 5, 1986

TO ALL CIGARETTE WHOLESALERS AND RETAILERS

In accordance with the price changes in the wholesale cost of cigarettes by various cigarette manufacturers, your attention is again called to Chapter 54C, Sections 12-20 of the Massachusetts General Laws. This is the law of the Commonwealth of Massachusetts and must be complied with by all cigarette licensees to do business in Massachusetts.

If you wish to prove a lesser cost of doing business, please refer to 830 CMR 640.14.0 on the procedures to be followed.

Upon acceptance by this department of the proposed lower selling prices, the Commissioner of Revenue will notify the petitioning wholesaler licensee of the new minimum selling prices which have been approved by the Commissioner.

Until such procedure has been followed, based upon the prevailing wholesaler's cost of cigarettes and the statutory markup, the following list are the minimum wholesale prices per carton (including the Massachusetts Excise) for non-chain and chain stores. A chain store is defined as "any person or persons who own or maintain ten or more outlets in the commonwealth, having one hundred percent common ownership or any vending machine operator who operates vending machines in twenty-five or more locations".

Also included for your information are the retail minimum prices based upon the statutory 13.4% markup. Please notify your retailers of these prices. Retail prices do not include the 5% Massachusetts Sales Tax.

(OVER)

Very truly yours,
Commissioner of Revenue

A handwritten signature in dark ink, appearing to read "Carmine J. Santoro".

By
Carmine J. Santoro
Cigarette Tax Unit

51863 0156

FAX COVER SHEET# PAGES INCL. COVER 4DATE 2/8TO: R.O.U.RE: Attached

CO.: _____

FAX: _____

THE FOLLOWING IS TRANSMITTED FROM :**R. J. REYNOLDS TOBACCO****D. W. KEENEY****150 LAWRENCE BELL DR., STE. 108****WILLIAMSVILLE, NY 14221-9610****PHONE: 413-572-0542 FAX: 413-572-6748**

*As Information: Also phase copy
to all S/R's + R/R's covering state
of MA. Thanks*

Dave K.